

August 13, 2025

Q1FY26 Result Update

■ Change in Estimates | ■ Target | ☒ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	ACCUMULATE		HOLD	
Target Price	348		348	
Sales (Rs bn)	12	13	12	13
% Chng.	-	-	-	-
EBITDA (Rs bn)	10	11	10	11
% Chng.	-	-	-	-
EPS (Rs.)	14.8	16.1	14.8	16.1
% Chng.	-	-	-	-

Key Financials - Standalone

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. bn)	17.6	10.1	11.8	13.2
EBITDA (Rs. bn)	15.0	8.1	9.6	10.9
Margin (%)	85.6	80.2	82.0	82.8
PAT (Rs. bn)	12.8	8.1	8.3	9.1
EPS (Rs.)	22.8	14.3	14.8	16.1
Gr. (%)	36.0	(37.1)	3.0	9.3
DPS (Rs.)	5.0	5.0	4.4	4.8
Yield (%)	1.6	1.6	1.5	1.6
RoE (%)	13.1	7.7	7.5	7.8
RoCE (%)	13.4	5.8	6.9	7.6
EV/Sales (x)	9.5	15.0	12.8	11.4
EV/EBITDA (x)	11.1	18.7	15.6	13.7
PE (x)	13.3	21.2	20.6	18.8
P/BV (x)	1.7	1.6	1.5	1.4

Key Data

GSPT.BO | GUJS IN

52-W High / Low	Rs.470 / Rs.261
Sensex / Nifty	80,236 / 24,487
Market Cap	Rs.171bn/ \$ 1,954m
Shares Outstanding	564m
3M Avg. Daily Value	Rs.208.33m

Shareholding Pattern (%)

Promoter's	37.63
Foreign	15.21
Domestic Institution	24.87
Public & Others	22.29
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(7.2)	1.1	(7.1)
Relative	(4.6)	(4.0)	(7.8)

Swarnendu Bhushan

swarnendubhushan@plindia.com | 91-22-66322260

Steady volume growth anticipated

Quick Pointers:

- Transmission volume rose from 25.8mmscmd to 29.65mmscmd QoQ
- Power segment, ref/Petrochem and others accounted for the growth

Gujarat State Petronet (GSPL) reported a rise in transmission volume QoQ from 25.8mmscmd to 29.65mmscmd during the quarter QoQ led primarily by power sector, ref/petrochem and others. Implied tariff stood at Rs863/mscm compared with Rs847/mscm in the previous quarter. Opex per mscm declined from Rs332 to Rs149. As a result of higher volume QoQ and lower opex, EBITDA grew a sharp 62% QoQ to Rs2bn (Ple Rs1.5bn, BBGe Rs1.6bn). PAT came in at Rs1.4bn (Ple Rs1.2bn, BBGe Rs1.1bn). The stock is currently trading at 20.6x FY26 EPS. We upgrade the stock to 'Accumulate', primarily on account of recent decline in the stock. Investments in Gujarat Gas (54.2% stake) and Sabarmati Gas (27.5% stake) at a 25% holding discount provide a valuation of Rs230, and valuing the core business at 10x FY27E adj EPS at Rs118, we arrive at a TP of Rs348 (unchanged).

Transmission volume improves: Transmission volume stood at 29.65mmscmd. Power sector witnessed sharpest improvement from 1mmscmd in the previous quarter to 3.8mmscmd but was still down from 6.4mmscmd in Q1FY25, primarily due to early onset of monsoon, thereby decreasing the demand of gas-based power. Ref/Petrochem also witnessed 0.6mmscmd growth QoQ while CGD witnessed 0.3mmscmd decline sequentially.

Implied tariff at Rs863/mscm: Against Rs847 and Rs963 in Q4FY25 and Q1FY25, implied transmission tariff stood at Rs863 during the quarter. The company had filed a writ against the tariff order of the regulatory board and is awaiting a decision.

Company outlook: LNG prices are expected to decline in the longer run with addition of capacities globally. As a result, the transmission volumes are likely to rise. For FY26 and FY27, we estimate transmission volume to rise from 30.2mmscmd in FY25 to 33mmscmd in FY26 and then to 37mmscmd in FY27 driven by growth in CGDs, ref/Petrochem. Due to the recent correction in the stock, we upgrade it from 'Hold' to 'Accumulate'.

Exhibit 1: Valuation Table

Valuation	Adj. EPS (INR)	P/E Multiple (x)	Value (INR/share)	Remarks
GSPL	11.8	10	118	FY27E EPS
Value of investments post 25% discount			230	54.2% stake in Gujarat Gas; 27.5% in Sabarmati Gas
Fair Value			348	

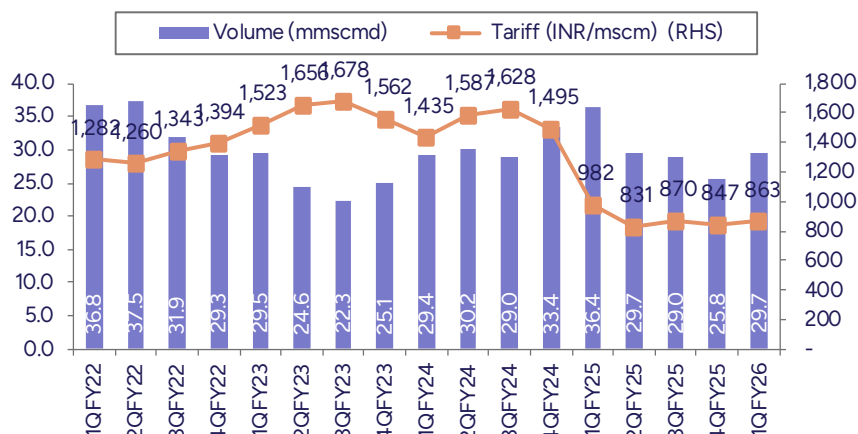
Source: PL

Exhibit 2: Quarterly Financials (Rs bn)

Y/e March	Q1FY26	Q4FY25	QoQ gr.	Q1FY26E	% Var	Q1FY25	YoY gr.	FY26E	FY25	YoY gr.
Net Sales	2.4	2.0	20.3%	2.2	12.1%	3.4	-27.7%	11.8	10.1	16.3%
YoY Change (%)	-27.7	-55.7		-35.5		-14.8		16.3		
Total Expenditure	0.4	0.8	-47.8%	0.6	-36.7%	0.3	16.8%	2.1	2.0	5.7%
EBITDA	2.0	1.2	62.3%	1.5	32.3%	3.0	-32.8%	9.6	8.1	19.0%
Margins (%)	83.4%	61.8%		70.7%		89.7%		82.0%	80.2%	
Depreciation	0.5	0.5	3.2%	0.5	7.0%	0.5	10.0%	2.0	2.0	-1.0%
Interest	0.0	0.1	-79.1%	0.0	3.9%	0.0	-15.3%	0.0	0.1	-50.8%
Other Income	0.4	0.4	19.5%	0.9	-50.9%	0.3	32.0%	3.5	4.0	-12.7%
PBT	1.9	1.0	84.2%	1.9	0.5%	2.8	-32.7%	11.1	10.0	10.9%
Tax	0.5	0.3	46.9%	0.7	-31.2%	0.7	-32.6%	2.8	2.0	43.2%
Rate (%)	25.3	31.7		36.9		25.2		25.2	19.5	
Reported PAT	1.4	0.7	101.4%	1.2	19.0%	2.1	-32.8%	8.3	8.1	3.0%
Transmission vol (mmscmd)	29.7	25.8	15.1%	27.0	9.8%	36.4	-18.5%	33.0	37.0	-11%
Implied Tariff (Rs/mscm)	863.3	847.3	1.9%	850.0	1.6%	981.9	-12.1%	951.3	951.3	0%

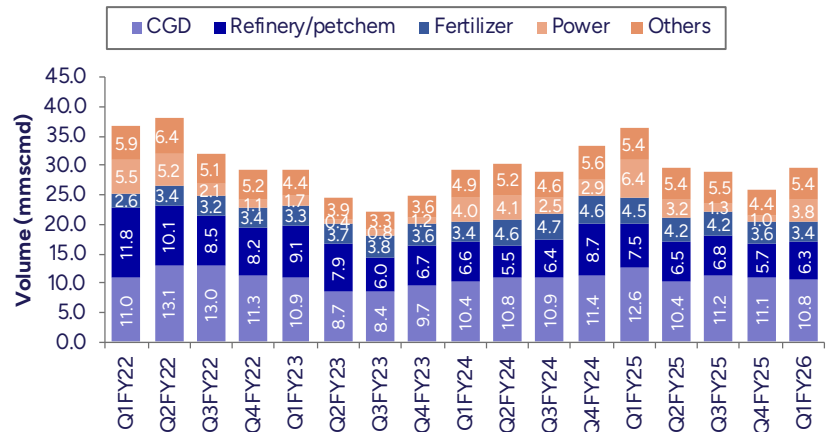
Source: Company, PL

Exhibit 3: Transmission volume at 29.7mmscmd



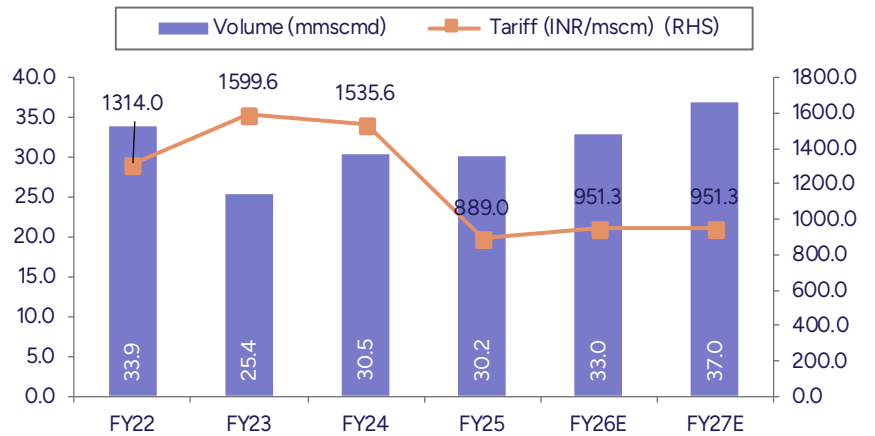
Source: Company, PL

Exhibit 4: Ref/Petrochem, fertilizer main contributors to decline QoQ



Source: Company, PL

Exhibit 5: Volume estimated at 37mmscmd for FY27E



Source: Company, PL

Financials

Income Statement (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	17.6	10.1	11.8	13.2
YoY gr. (%)	15.0	(42.5)	16.3	11.8
Cost of Goods Sold	-	-	-	-
Gross Profit	17.6	10.1	11.8	13.2
Margin (%)	100.0	100.0	100.0	100.0
Employee Cost	0.8	0.9	0.9	1.0
Other Expenses	1.7	1.1	1.2	1.3
EBITDA	15.0	8.1	9.6	10.9
YoY gr. (%)	19.5	(46.1)	19.0	12.8
Margin (%)	85.6	80.2	82.0	82.8
Depreciation and Amortization	1.9	2.0	2.0	2.0
EBIT	13.1	6.1	7.6	8.9
Margin (%)	74.7	60.1	64.9	67.7
Net Interest	0.0	0.1	0.0	0.0
Other Income	3.4	4.0	3.5	3.3
Profit Before Tax	16.4	10.0	11.1	12.2
Margin (%)	93.5	99.2	94.6	92.4
Total Tax	4	2	3	3
Effective tax rate (%)	21.8	19.5	25.2	25.2
Profit after tax	12.8	8.1	8.3	9.1
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	12.8	8.1	8.3	9.1
YoY gr. (%)	35.9	(37.1)	3.0	9.3
Margin (%)	73.1	79.9	70.7	69.1
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	12.8	8.1	8.3	9.1
YoY gr. (%)	35.9	(37.1)	3.0	9.3
Margin (%)	73.1	79.9	70.7	69.1
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	12.8	8.1	8.3	9.1
Equity Shares O/s (bn)	0.6	0.6	0.6	0.6
EPS (Rs)	22.8	14.3	14.8	16.1

Source: Company Data, PL Research

Balance Sheet Abstract (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	47.4	54.7	60.4	67.2
Tangibles	47.4	54.7	60.4	67.2
Intangibles	-	-	-	-
Acc: Dep / Amortization	17.0	19.0	21.1	23.0
Tangibles	17.0	19.0	21.1	23.0
Intangibles	-	-	-	-
Net fixed assets	30.4	35.6	39.4	44.2
Tangibles	30.4	35.6	39.4	44.2
Intangibles	-	-	-	-
Capital Work In Progress	7.6	2.8	4.1	4.3
Goodwill	-	-	-	-
Non-Current Investments	53.3	53.4	53.4	53.4
Net Deferred tax assets	(4.2)	(4.3)	(4.3)	(4.3)
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	-	-	-	-
Inventories	2.1	2.6	2.7	2.9
Trade receivables	1.4	1.1	1.3	1.4
Cash & Bank Balance	4.7	19.3	20.2	21.5
Other Current Assets	-	-	-	-
Total Assets	110.8	119.9	126.9	134.3
Equity				
Equity Share Capital	5.6	5.6	5.6	5.6
Other Equity	97.1	102.2	108.0	114.4
Total Network	102.7	107.8	113.7	120.0
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	0.4	0.8	0.8	0.9
Other current liabilities	3.6	7.0	8.1	9.1
Total Equity & Liabilities	110.8	119.9	126.9	134.3

Source: Company Data, PL Research



Cash Flow (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	16.4	10.0	11.1	12.2
Add. Depreciation	1.9	2.0	2.0	2.0
Add. Interest	0.0	0.1	0.0	0.0
Less Financial Other Income	3.4	4.0	3.5	3.3
Add. Other	(3.2)	(3.9)	(3.5)	(3.3)
Op. profit before WC changes	15.1	8.2	9.6	10.9
Net Changes-WC	0.1	3.1	0.1	0.0
Direct tax	(3.5)	(2.0)	(2.8)	(3.1)
Net cash from Op. activities	11.7	9.4	6.9	7.8
Capital expenditures	(4.2)	(2.2)	(7.0)	(7.0)
Interest / Dividend Income	0.5	1.0	-	-
Others	(6.5)	(5.0)	3.5	3.3
Net Cash from Invt. activities	(10.2)	(6.2)	(3.5)	(3.7)
Issue of share cap. / premium	-	-	-	-
Debt changes	-	-	-	-
Dividend paid	(2.8)	(2.8)	(2.5)	(2.7)
Interest paid	-	-	0.0	0.0
Others	0.0	0.0	-	-
Net cash from Fin. activities	(2.8)	(2.8)	(2.5)	(2.8)
Net change in cash	(1.3)	0.3	0.9	1.3
Free Cash Flow	7.6	7.2	(0.1)	0.8

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	22.8	14.3	14.8	16.1
CEPS	26.2	17.9	18.3	19.6
BVPS	182.2	191.3	201.7	213.0
FCF	13.4	12.7	(0.2)	1.4
DPS	5.0	5.0	4.4	4.8
Return Ratio(%)				
RoCE	13.4	5.8	6.9	7.6
ROIC	12.4	6.0	7.2	7.9
RoE	13.1	7.7	7.5	7.8
Balance Sheet				
Net Debt : Equity (x)	0.0	(0.2)	(0.2)	(0.2)
Net Working Capital (Days)	980	1,092	1,069	1,061
Valuation(x)				
PER	13.3	21.2	20.6	18.8
P/B	1.7	1.6	1.5	1.4
P/CEPS	11.6	16.9	16.6	15.5
EV/EBITDA	11.1	18.7	15.6	13.7
EV/Sales	9.5	15.0	12.8	11.4
Dividend Yield (%)	1.6	1.6	1.5	1.6

Source: Company Data, PL Research

Quarterly Financials (Rs bn)

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Net Revenue	2	2	2	2
YoY gr. (%)	(47.5)	(48.2)	(55.7)	(27.7)
Raw Material Expenses	-	-	-	-
Gross Profit	-	-	-	-
Margin (%)	-	-	-	-
EBITDA	2	2	1	2
YoY gr. (%)	(53.0)	(49.3)	(67.0)	(32.8)
Margin (%)	81.1	81.5	61.8	83.4
Depreciation / Depletion	1	1	1	1
EBIT	1	1	1	1
Margin (%)	59.6	59.8	35.9	61.2
Net Interest	-	-	-	-
Other Income	3	-	-	-
Profit before Tax	4	2	1	2
Margin (%)	182.7	76.9	51.3	78.6
Total Tax	-	-	-	-
Effective tax rate (%)	10.4	25.3	31.7	25.3
Profit after Tax	4	1	1	1
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	4	1	1	1
YoY gr. (%)	(26.8)	(48.3)	(72.9)	(32.8)
Margin (%)	163.6	57.4	35.1	58.7
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	4	1	1	1
YoY gr. (%)	(26.8)	(48.3)	(72.9)	(32.8)
Margin (%)	163.6	57.4	35.1	58.7
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	4	1	1	1
Avg. Shares O/s (bn)	1	1	1	1
EPS (Rs)	6.9	2.4	1.3	2.5

Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Volume (mmscmd)	30	30	33	37
Implied Tariff (Rs/mscm)	1,536	889	951	951

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	03-Jul-25	Hold	348	335
2	23-May-25	Hold	348	339
3	08-Apr-25	Hold	288	288
4	10-Feb-25	Hold	327	334
5	08-Jan-25	Hold	351	359
6	07-Nov-24	Hold	380	390
7	07-Oct-24	Hold	422	411

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Aarti Industries	Hold	420	407
2	Bharat Petroleum Corporation	Reduce	311	332
3	Bharti Airtel	Accumulate	2,090	1,930
4	Clean Science and Technology	Hold	1,425	1,445
5	Deepak Nitrite	Reduce	1,799	1,963
6	Fine Organic Industries	BUY	5,610	4,807
7	GAIL (India)	Hold	180	181
8	Gujarat Fluorochemicals	Hold	3,580	3,486
9	Gujarat Gas	Hold	432	431
10	Gujarat State Petronet	Hold	348	335
11	Hindustan Petroleum Corporation	Accumulate	422	402
12	Indian Oil Corporation	Reduce	138	148
13	Indraprastha Gas	Reduce	186	205
14	Jubilant Ingrevia	Hold	743	777
15	Laxmi Organic Industries	Reduce	179	196
16	Mahanagar Gas	Accumulate	1,559	1,483
17	Mangalore Refinery & Petrochemicals	Accumulate	152	139
18	Navin Fluorine International	Accumulate	5,559	5,198
19	NOCIL	Hold	182	174
20	Oil & Natural Gas Corporation	Accumulate	284	241
21	Oil India	BUY	566	436
22	Petronet LNG	Hold	311	302
23	Reliance Industries	Accumulate	1,555	1,476
24	SRF	Hold	3,071	3,150
25	Vinati Organics	Accumulate	1,882	1,944

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

ANALYST CERTIFICATION

(Indian Clients)

We/I, Mr. Swarnendu Bhushan- IIT, MBA Finance Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

(US Clients)

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

DISCLAIMER

Indian Clients

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at www.plindia.com.

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Swarnendu Bhushan- IIT, MBA Finance Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

US Clients

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

Prabhudas Lilladher Pvt. Ltd.

3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

www.plindia.com